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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Washington, DC  
- 101ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

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## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

CRD # 46343

Oak Grove Investment Services, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

207 South Walnut Street

(No. and Street)

Rochester

Illinois

62563

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Don McCarthy

217-498-8600

(Area Code — Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Estes, Bridgewater &amp; Ogden

(Name — if individual, state last, first, middle names)

901 S. Second Street

Springfield

Illinois

62704

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 11 2009

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THOMSON REUTERS

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, Don McCarthy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Oak Grove Investment Services, Inc., as of December 31, ~~199~~ 2008 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Don McCarthy  
Signature

PRINCIPAL  
Title

Sara Clayton  
Notary Public



This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**OAK GROVE INVESTMENT  
SERVICES, INC.**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

Oak Grove Investment Services, Inc.

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# Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD W. OGDEN, C.P.A.  
RICHARD L. GRAFTON, C.P.A.  
ROY A. BALLINGER, C.P.A., M.B.A.

901 South Second Street  
Springfield, Illinois 62704  
217/528-8473  
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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

ILLINOIS CPA SOCIETY

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PUBLIC ACCOUNTANTS

MICHAEL A. FAFOGLIA, C.P.A.  
LORI K. MILOSEVICH, C.P.A., C.F.E.  
VALERIE R. AUSMUS, C.P.A.  
TRACY L. TRELLO, C.P.A.  
JACQUELIN R. DENNY  
JAMES R. ANDERSON  
SAMANTHA E. WHITE  
CATHY A. GRAVES

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Oak Grove Investment Services, Inc.

We have audited the accompanying statement of financial condition of Oak Grove Investment Services, Inc. (a corporation) as of December 31, 2008 and the related statements of changes in stockholder's equity, income, cash flows and computation of net capital for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Oak Grove Investment Services, Inc. as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Estes, Bridgewater & Ogden*  
Certified Public Accountants

February 12, 2009

Oak Grove Investment Services, Inc.  
**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2008

Statement 1

Assets

**CURRENT ASSETS**

Cash & cash equivalents .....	\$ 17,870
Investment.....	5,990
Accounts receivable .....	<u>13,551</u>
 Total current assets .....	 <u>37,411</u>

<b>PROPERTY &amp; EQUIPMENT</b> – less accumulated depreciation of \$3,565 .....	<u>272</u>
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<b>TOTAL ASSETS</b> .....	<b>\$ <u>37,683</u></b>
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Liabilities and Stockholder's Equity

**CURRENT LIABILITIES**

Accounts payable .....	\$ <u>20,633</u>
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**STOCKHOLDER'S EQUITY**

Common stock – Authorized 1,000,000 Shares, no par value; issued and outstanding 1,000,000 shares .....	1,000
Paid in capital.....	12,050
Retained earnings.....	<u>4,000</u>
 Total stockholder's equity.....	 <u>17,050</u>

<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b> .....	<b>\$ <u>37,683</u></b>
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The accompanying notes are an integral part of these financial statements.

Oak Grove Investment Services, Inc.  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
For The Year Ended December 31, 2008

Statement 2

Balance Beginning of Year .....	\$ 35,116
Net (loss) for the year .....	( <u>18,066</u> )
Balance End of Year .....	\$ <u>17,050</u>

The accompanying notes are an integral part of these financial statements.

Oak Grove Investment Services, Inc.  
**STATEMENT OF INCOME**  
For The Year Ended December 31, 2008

Statement 3

**REVENUE**

Commission income.....	\$232,328
Registration & license.....	6,340
Interest income.....	<u>248</u>
 Total revenue .....	 <u>238,916</u>

**EXPENSES**

Legal & accounting.....	2,599
Bank charges.....	604
Membership .....	2,205
Commissions.....	173,231
Licensing.....	7,350
Contract labor.....	6,187
Office supplies .....	144
Postage .....	141
Miscellaneous .....	100
Telephone.....	1,302
Insurance bond .....	1,072
Internet .....	90
Management fee.....	46,000
Depreciation.....	109
Speakers and meetings.....	200
Rent.....	11,058
Health and life insurance .....	<u>4,590</u>
 Total expenses.....	 <u>256,982</u>

**NET (LOSS) BEFORE INCOME TAXES.....** ( 18,066)

Federal & State Income Taxes..... -

**NET (LOSS) FOR THE YEAR.....** (\$ 18,066)

The accompanying notes are an integral part of these financial statements.



Oak Grove Investment Services, Inc.  
**STATEMENT OF CASH FLOWS**  
For The Year Ended December 31, 2008

Statement 4

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net (loss).....	(\$ 18,066)
Adjustments to reconcile net (loss) to net cash provided operating activities:	
Depreciation.....	109
Decrease in accounts receivable .....	15,355
(Decrease) in accounts payable.....	( <u>3,070</u> )
Net cash provided operating activities.....	( <u>5,672</u> )

**CASH FLOWS FROM INVESTING ACTIVITIES**

(Increase) in investment.....	( <u>7</u> )
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**(DECREASE) IN CASH AND CASH EQUIVALENTS.....** ( **5,679**)

CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR ..... 23,549

**CASH AND CASH EQUIVALENTS – END OF YEAR.....** \$ **17,870**

The accompanying notes are an integral part of these financial statements.

Oak Grove Investment Services, Inc.  
**COMPUTATION OF NET CAPITAL**  
For The Year Ended December 31, 2008

Statement 5

Allowable assets.....	\$ 37,683
Total liabilities .....	( <u>20,633</u> )
Net capital per audit report accrual basis .....	\$ <u>17,050</u>
Net capital per December 31, 2008 FOCUS Report.....	\$ <u>17,050</u>

Oak Grove Investment Services, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For The Year Ended December 31, 2008

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- a. Nature of Business - Oak Grove Investment Services, Inc. (Company) was incorporated in Illinois on April 19, 1999. The Company is a NASD registered broker-dealer providing investment products such as mutual funds and variable annuities.
- b. Basis of accounting - The books and records of the Company are maintained on the cash basis of accounting for tax reporting purposes and are converted to the accrual basis for financial statement reporting purposes. For financial statement reporting revenues are recognized when earned and expenses are recognized when incurred.
- c. Cash and cash equivalents - Short-term investments with an original maturity of three months or less are considered to be cash equivalents.
- d. Property & equipment - Fixed assets are stated at cost. Depreciation is computed using the modified cost recovery methods allowable under the Internal Revenue Code. The recovery periods being used are 5 and 7 years for furniture, fixtures and equipment and 39 years for leasehold improvements.
- e. Income taxes - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due.
- f. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – INVESTMENT**

The Company has a certificate of deposit with Rochester State Bank, Rochester, Illinois. The certificate matures October 28, 2008. The rate of interest is 2.25%.

**NOTE 3 – INCOME TAXES**

Income taxes payable consist of the following at December 31, 2008:

Federal	\$	-
State		<u>-</u>
Total		-
Less: Federal and state estimates		<u>-</u>
Balance payable/(overpayment)	\$	<u><u>-</u></u>

The Company prepares its tax returns on the cash basis of accounting. For 2008, the Company incurred a loss of \$5,475 on its tax returns, therefore, there was no federal or state income tax liability at December 31, 2008.

Oak Grove Investment Services, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For The Year Ended December 31, 2008

**NOTE 4 – MANAGEMENT FEE**

The Company pays a management fee to Acorn Service Group, Inc. For the year ended December 31, 2008 the company paid \$46,000 to Acorn Service Group, Inc. The following items are included in and are part of the management fee: office space, office staff, utilities, office supplies, office equipment, and management of the company. Acorn Service Group, Inc. owns 100% of the stock of Oak Grove Investment Services, Inc.

**NOTE 5 – RENT**

The Company leases office space from the Pettyjohn Family Trust at the rate of \$600.00 per month. The lease runs from January 1, 2007 to December 31, 2008. The rent for 2009 is still \$600 per month.

**END**